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AN ACT

RELATING TO INSURANCE; REQUIRING INSURANCE COVERAGE FOR THE
FAMILY, INFANT, TODDLER PROGRAM FOR ELIGIBLE CHILDREN.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 13-7-7 NMSA 1978 (being Laws 2001,
Chapter 351, Section 3) is amended to read:

"13-7-7. CONSOLIDATED ADMINISTRATIVE FUNCTIONS--
BENEFIT.--

A. By December 1, 2001, the publicly funded health
care agencies, political subdivisions and other persons
participating in the consolidated purchasing single process
pursuant to the Health Care Purchasing Act shall
cooperatively study and provide a status report on the
consolidation of administrative functions to the legislative
health and human services committee and the governor.

B. By December 31, 2003, the publicly funded
health care agencies, political subdivisions and other
persons participating in the consolidated purchasing single
process pursuant to the Health Care Purchasing Act shall
consolidate, standardize and administer the administrative
functions that those entities can effectively and efficiently
administer as reflected in the study.

C. The publicly funded health care agencies,
political subdivisions and other persons participating in the

1 consolidated purchasing single process pursuant to the Health
2 Care Purchasing Act may enter into a joint powers agreement
3 pursuant to the Joint Powers Agreements Act with the publicly
4 funded health care agencies and political subdivisions to
5 determine assessments or provisions of resources to
6 consolidate, standardize and administer the consolidated
7 purchasing single process and subsequent activities pursuant
8 to the Health Care Purchasing Act. The publicly funded
9 health care agencies, political subdivisions and other
10 persons participating in the consolidated purchasing single
11 process pursuant to the Health Care Purchasing Act may enter
12 into contracts with nonpublic persons to provide the service
13 of determining assessments or provision of resources for
14 consolidation, standardization and administrative activities.

15 D. Each agency will retain its responsibility to
16 determine policy direction of the benefit plans, plan
17 development, training and coordination with respect to
18 participants and its benefits staff, as well as to respond to
19 benefits eligibility inquiries and establish and enforce
20 eligibility rules.

21 E. Notwithstanding Subsection D of this section,
22 publicly funded health care agencies, political subdivisions
23 and other persons participating in the consolidated
24 purchasing single process pursuant to the Health Care
25 Purchasing Act shall provide coverage for children, from

1 birth through three years of age, for or under the family,
2 infant, toddler program administered by the department of
3 health, provided eligibility criteria are met, for a maximum
4 benefit of three thousand five hundred dollars (\$3,500)
5 annually for medically necessary early intervention services
6 provided as part of an individualized family service plan and
7 delivered by certified and licensed personnel as defined in
8 7.30.8 NMAC who are working in early intervention programs
9 approved by the department of health. No payment under this
10 subsection shall be applied against any maximum lifetime or
11 annual limits specified in the policy, health benefits plan
12 or contract."

13 Section 2. Section 59A-22-34.2 NMSA 1978 (being Laws
14 1994, Chapter 64, Section 2) is amended to read:

15 "59A-22-34.2. COVERAGE OF CHILDREN.--

16 A. An insurer shall not deny enrollment of a child
17 under the health plan of the child's parent on the grounds
18 that the child:

19 (1) was born out of wedlock;

20 (2) is not claimed as a dependent on the
21 parent's federal tax return; or

22 (3) does not reside with the parent or in
23 the insurer's service area.

24 B. When a child has health coverage through an
25 insurer of a noncustodial parent, the insurer shall:

1 (1) provide such information to the
2 custodial parent as may be necessary for the child to obtain
3 benefits through that coverage;

4 (2) permit the custodial parent or the
5 provider, with the custodial parent's approval, to submit
6 claims for covered services without the approval of the
7 noncustodial parent; and

8 (3) make payments on claims submitted in
9 accordance with Paragraph (2) of this subsection directly to
10 the custodial parent, the provider or the state medicaid
11 agency.

12 C. When a parent is required by a court or
13 administrative order to provide health coverage for a child
14 and the parent is eligible for family health coverage, the
15 insurer shall be required:

16 (1) to permit the parent to enroll, under
17 the family coverage, a child who is otherwise eligible for
18 the coverage without regard to any enrollment season
19 restrictions;

20 (2) if the parent is enrolled but fails to
21 make application to obtain coverage for the child, to enroll
22 the child under family coverage upon application of the
23 child's other parent, the state agency administering the
24 medicaid program or the state agency administering 42 U.S.C.
25 Sections 651 through 669, the child support enforcement

1 program; and

2 (3) not to disenroll or eliminate coverage
3 of the child unless the insurer is provided satisfactory
4 written evidence that:

5 (a) the court or administrative order
6 is no longer in effect; or

7 (b) the child is or will be enrolled in
8 comparable health coverage through another insurer that will
9 take effect not later than the effective date of
10 disenrollment.

11 D. An insurer shall not impose requirements on a
12 state agency that has been assigned the rights of an
13 individual eligible for medical assistance under the medicaid
14 program and covered for health benefits from the insurer that
15 are different from requirements applicable to an agent or
16 assignee of any other individual so covered.

17 E. An insurer shall provide coverage for children,
18 from birth through three years of age, for or under the
19 family, infant, toddler program administered by the
20 department of health, provided eligibility criteria are met,
21 for a maximum benefit of three thousand five hundred dollars
22 (\$3,500) annually for medically necessary early intervention
23 services provided as part of an individualized family service
24 plan and delivered by certified and licensed personnel as
25 defined in 7.30.8 NMAC who are working in early intervention

1 programs approved by the department of health. No payment
2 under this subsection shall be applied against any maximum
3 lifetime or annual limits specified in the policy, health
4 benefits plan or contract."

5 Section 3. Section 59A-23-7.2 NMSA 1978 (being Laws
6 1994, Chapter 64, Section 5) is amended to read:

7 "59A-23-7.2. COVERAGE OF CHILDREN.--

8 A. An insurer shall not deny enrollment of a child
9 under the health plan of the child's parent on the grounds
10 that the child:

11 (1) was born out of wedlock;

12 (2) is not claimed as a dependent on the
13 parent's federal tax return; or

14 (3) does not reside with the parent or in
15 the insurer's service area.

16 B. When a child has health coverage through an
17 insurer of a noncustodial parent, the insurer shall:

18 (1) provide such information to the
19 custodial parent as may be necessary for the child to obtain
20 benefits through that coverage;

21 (2) permit the custodial parent or the
22 provider, with the custodial parent's approval, to submit
23 claims for covered services without the approval of the
24 noncustodial parent; and

25 (3) make payments on claims submitted in

1 accordance with Paragraph (2) of this subsection directly to
2 the custodial parent, the provider or the state medicaid
3 agency.

4 C. When a parent is required by a court or
5 administrative order to provide health coverage for a child
6 and the parent is eligible for family health coverage, the
7 insurer shall be required:

8 (1) to permit the parent to enroll, under
9 the family coverage, a child who is otherwise eligible for
10 the coverage without regard to any enrollment season
11 restrictions;

12 (2) if the parent is enrolled but fails to
13 make application to obtain coverage for the child, to enroll
14 the child under family coverage upon application of the
15 child's other parent, the state agency administering the
16 medicaid program or the state agency administering 42 U.S.C.
17 Sections 651 through 669, the child support enforcement
18 program; and

19 (3) not to disenroll or eliminate coverage
20 of the child unless the insurer is provided satisfactory
21 written evidence that:

22 (a) the court or administrative order
23 is no longer in effect; or

24 (b) the child is or will be enrolled in
25 comparable health coverage through another insurer that will

1 take effect not later than the effective date of
2 disenrollment.

3 D. An insurer shall not impose requirements on a
4 state agency that has been assigned the rights of an
5 individual eligible for medical assistance under the medicaid
6 program and covered for health benefits from the insurer that
7 are different from requirements applicable to an agent or
8 assignee of any other individual so covered.

9 E. An insurer shall provide coverage for children,
10 from birth through three years of age, for or under the
11 family, infant, toddler program administered by the
12 department of health, provided eligibility criteria are met,
13 for a maximum benefit of three thousand five hundred dollars
14 (\$3,500) annually for medically necessary early intervention
15 services provided as part of an individualized family service
16 plan and delivered by certified and licensed personnel as
17 defined in 7.30.8 NMAC who are working in early intervention
18 programs approved by the department of health. No payment
19 under this subsection shall be applied against any maximum
20 lifetime or annual limits specified in the policy, health
21 benefits plan or contract."

22 Section 4. Section 59A-46-38.1 NMSA 1978 (being Laws
23 1994, Chapter 64, Section 9) is amended to read:

24 "59A-46-38.1. COVERAGE OF CHILDREN.--

25 A. An insurer shall not deny enrollment of a child SB 589
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1 under the health plan of the child's parent on the grounds
2 that the child:

- 3 (1) was born out of wedlock;
- 4 (2) is not claimed as a dependent on the
5 parent's federal tax return; or
- 6 (3) does not reside with the parent or in
7 the insurer's service area.

8 B. When a child has health coverage through an
9 insurer of a noncustodial parent, the insurer shall:

10 (1) provide such information to the
11 custodial parent as may be necessary for the child to obtain
12 benefits through that coverage;

13 (2) permit the custodial parent or the
14 provider, with the custodial parent's approval, to submit
15 claims for covered services without the approval of the
16 noncustodial parent; and

17 (3) make payments on claims submitted in
18 accordance with Paragraph (2) of this subsection directly to
19 the custodial parent, the provider or the state medicaid
20 agency.

21 C. When a parent is required by a court or
22 administrative order to provide health coverage for a child
23 and the parent is eligible for family health coverage, the
24 insurer shall be required:

- 25 (1) to permit the parent to enroll, under

1 the family coverage, a child who is otherwise eligible for
2 the coverage without regard to any enrollment season
3 restrictions;

4 (2) if the parent is enrolled but fails to
5 make application to obtain coverage for the child, to enroll
6 the child under family coverage upon application of the
7 child's other parent, the state agency administering the
8 medicaid program or the state agency administering 42 U.S.C.
9 Sections 651 through 669, the child support enforcement
10 program; and

11 (3) not to disenroll or eliminate coverage
12 of the child unless the insurer is provided satisfactory
13 written evidence that:

14 (a) the court or administrative order
15 is no longer in effect; or

16 (b) the child is or will be enrolled in
17 comparable health coverage through another insurer that will
18 take effect not later than the effective date of
19 disenrollment.

20 D. An insurer shall not impose requirements on a
21 state agency that has been assigned the rights of an
22 individual eligible for medical assistance under the medicaid
23 program and covered for health benefits from the insurer that
24 are different from requirements applicable to an agent or
25 assignee of any other individual so covered.

1 E. An insurer shall provide coverage for children,
2 from birth through three years of age, for or under the
3 family, infant, toddler program administered by the
4 department of health, provided eligibility criteria are met,
5 for a maximum benefit of three thousand five hundred dollars
6 (\$3,500) annually for medically necessary early intervention
7 services provided as part of an individualized family service
8 plan and delivered by certified and licensed personnel as
9 defined in 7.30.8 NMAC who are working in early intervention
10 programs approved by the department of health. No payment
11 under this subsection shall be applied against any maximum
12 lifetime or annual limits specified in the policy, health
13 benefits plan or contract."

14 Section 5. Section 59A-47-37 NMSA 1978 (being Laws
15 1994, Chapter 64, Section 12) is amended to read:

16 "59A-47-37. COVERAGE OF CHILDREN.--

17 A. An insurer shall not deny enrollment of a child
18 under the health plan of the child's parent on the grounds
19 that the child:

20 (1) was born out of wedlock;

21 (2) is not claimed as a dependent on the
22 parent's federal tax return; or

23 (3) does not reside with the parent or in
24 the insurer's service area.

25 B. When a child has health coverage through an

1 insurer of a noncustodial parent, the insurer shall:

2 (1) provide such information to the
3 custodial parent as may be necessary for the child to obtain
4 benefits through that coverage;

5 (2) permit the custodial parent or the
6 provider, with the custodial parent's approval, to submit
7 claims for covered services without the approval of the
8 noncustodial parent; and

9 (3) make payments on claims submitted in
10 accordance with Paragraph (2) of this subsection directly to
11 the custodial parent, the provider or the state medicaid
12 agency.

13 C. When a parent is required by a court or
14 administrative order to provide health coverage for a child,
15 and the parent is eligible for family health coverage, the
16 insurer shall be required:

17 (1) to permit the parent to enroll, under
18 the family coverage, a child who is otherwise eligible for
19 the coverage without regard to any enrollment season
20 restrictions;

21 (2) if the parent is enrolled but fails to
22 make application to obtain coverage for the child, to enroll
23 the child under family coverage upon application of the
24 child's other parent, the state agency administering the
25 medicaid program or the state agency administering 42 U.S.C.

1 Sections 651 through 669, the child support enforcement
2 program; and

3 (3) not to disenroll or eliminate coverage
4 of the child unless the insurer is provided satisfactory
5 written evidence that:

6 (a) the court or administrative order
7 is no longer in effect; or

8 (b) the child is or will be enrolled in
9 comparable health coverage through another insurer that will
10 take effect not later than the effective date of
11 disenrollment.

12 D. An insurer shall not impose requirements on a
13 state agency that has been assigned the rights of an
14 individual eligible for medical assistance under the medicaid
15 program and covered for health benefits from the insurer that
16 are different from requirements applicable to an agent or
17 assignee of any other individual so covered.

18 E. An insurer shall provide coverage for children,
19 from birth through three years of age, for or under the
20 family, infant, toddler program administered by the
21 department of health, provided eligibility criteria are met,
22 for a maximum benefit of three thousand five hundred dollars
23 (\$3,500) annually for medically necessary early intervention
24 services provided as part of an individualized family service
25 plan and delivered by certified and licensed personnel as

1 defined in 7.30.8 NMAC who are working in early intervention
2 programs approved by the department of health. No payment
3 under this subsection shall be applied against any maximum
4 lifetime or annual limits specified in the policy, health
5 benefits plan or contract."

6 Section 6. EFFECTIVE DATE.--The effective date of the
7 provisions of this act is July 1, 2005. _____

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